

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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December 16, 2009

Ms. Janet Kirk, Treasurer
Steelworkers AFL-CIO
Local 13
624 S. Cottage
Independence, MO 64050

LM File Number 030-120
Case Number: [REDACTED]

Dear Ms. Kirk:

This office has recently completed an audit of Steelworkers Local 13 under the Compliance Audit Program (CAP) to determine your organization's compliance with the provisions of the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA). As discussed during the exit interview with Office Manager Jo L. Martin and you on December 5, 2008, the following problems were disclosed during the CAP. The matters listed below are not an exhaustive list of all possible problem areas since the audit conducted was limited in scope.

Recordkeeping Violations

Title II of the LMRDA establishes certain reporting and recordkeeping requirements. Section 206 requires, among other things, that labor organizations maintain adequate records for at least five years by which each receipt and disbursement of funds, as well as all account balances, can be verified, explained, and clarified. As a general rule, labor organizations must maintain all records used or received in the course of union business.

For disbursements, this includes not only original bills, invoices, receipts, vouchers, and applicable resolutions, but also documentation showing the nature of the union business requiring the disbursement, the goods or services received, and the identity of the recipient(s) of the goods or services. In most instances, this documentation requirement can be satisfied with a sufficiently descriptive expense receipt or invoice. If an expense receipt is not sufficiently descriptive, a union officer or employee should write a note on it providing the additional information. For money it receives, the labor organization must keep at least one record showing the date, amount, purpose, and source of that money. The labor organization must also retain bank records for all accounts.

The audit of Local 13's 2007 records revealed the following recordkeeping violations:

1. Lost Wages

Local 13 did not retain adequate documentation for lost wage reimbursement payments to union officers on 42 separate occasions. The union must maintain records in support of lost wage claims that identify each date lost wages were incurred, the number of hours lost on each date, the applicable rate of pay, and a description of the union business conducted. The OLMS audit found that Local 13's officers did not identify the applicable rate of pay on lost wage vouchers.

2. Lack of Salary Authorization

Local 13 did not maintain records to verify that the salaries reported in Schedule 12 (Disbursements to Employees) of the LM-2 were the authorized amount and therefore were correctly reported. The union must keep a record, such as meeting minutes, to show the current salary authorized by the entity or individual in the union with the authority to establish salaries.

Based on your assurance that Local 13 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

I want to extend my personal appreciation to Steelworkers Local 13 for the cooperation and courtesy extended during this compliance audit. I strongly recommend that you make sure this letter and the compliance assistance materials provided to you are passed on to future officers. If we can provide any additional assistance, please do not hesitate to call.

Ms. Janet Kirk
December 16, 2009
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Sincerely,



Investigator

cc: Diana Arends, President